

Stage 3 Panel Firm Audit Overview

1 Stage 3 Audit Overview

Zest Consultancy Ltd (Zest) is an independent auditing provision retained to undertake monthly Management Information (MI) audits on cases falling within the scope of Woodville Funding provided to Panel Firms (PF). Once a PF receives funding from Woodville, it moves onto the Stage 3 Audit process. This involves the PF providing specific MI to Zest on an allocated monthly date, following which Zest analyses the MI and reports to Woodville.

2 Information Required

Each month the PF is required to provide the following information to Zest:

- Management Information in an excel spreadsheet (format agreed with Woodville). The MI captures key information from the PF's live claims management systems to enable a review of real time data on matters subject to Woodville funding.
- A completed Funder Monthly Monitoring Report is delivered on the same as the MI above. The PF is required to confirm their financials, WIP, monthly claim settlements and disbursements paid from funding. PF is also required to confirm current good standing by confirming that there are no SRA actions outstanding or pending. They must confirm that they have sufficient staff and resources to manage the claims falling under the funded book; that all claims/damages are paid into client account in a timely manner and that all disbursements are repaid.

3 Volume of Cases

Each PF is required to provide the information noted in point 2 above, by a specified date each month (e.g.5th). If this information is not received by the specified date, Zest reports to Woodville. On receipt of the information from the PF, Zest checks with Woodville that the volume of cases reported within the MI, is correct.

4 MI Review

Upon receipt of the MI from the PF, Zest conducts a high level overview of the information provided which includes consideration of the following:

- Date opened – number of days live.
- Age profile of live cases.
- Average age of cases in the book.
- Quantum of cases listed. If no quantum listed we question this.
- Case status – how many cases in each stage.
- Length of cases in current 'case status'.
- Number of litigated cases (if applicable).
- Number of files per fee earner (if applicable).

There are some variances in what is reviewed for each firm. The reason for this is two-fold:

Firstly, each PF structures their operation slightly differently. Where some PFs allocate work to teams with specific key tasks being allocated to various team members, others will have specific fee earners conducting an individual caseload.

Secondly, the way MI is recorded for each PF is different. For example, the number and type of stages for each PF differ and some will give a range of quantum rather than an actual figure.

5 Funder Monthly Monitoring Report

Monthly Funder Report is reviewed as follows:

- Review any disciplinary issues/matters flagged to the SRA reported. If matters are noted, they are considered, discussed with the Firm and Woodville to decide on the best way forward.
- Review of working WIP reported and consider against the cases reported; and
- Review of any issues highlighted e.g. staffing/resources issues. Any notable issues are explored further with the Firm and Woodville with any remedial action required being discussed, agreed and monitored.

6 Dip-testing cases

Zest dip-tests approx. 1% of the PF's funded portfolio. A cross section of matters from all stages are audited in order to establish a firm understanding of how matters are progressed and the strategy throughout the lifecycle. Specifically, Zest ensures that the oldest case(s) and the highest quantum value case(s) are reviewed with focus on proactivity and strategy.

The dip-test auditing involves consideration of the following:

- Checking MI, such as quantum value and case status, is accurate.
- Proactivity on the file – is the file worked on regularly.

- Progress of file – is the file progressed through the PF stages appropriately.
- Key date management – are key dates (e.g. litigation dates/expert report dates) diarised and appropriately managed.
- Client Care – is the PF liaising with the Client regularly and keeping them updated on developments.

When reporting to Woodville we flag any progress issues and suggest improvements (e.g. front loading cases with client evidence or progressing a case to litigation).

7 Additional Reporting

Each firm is visited in person by Zest before they become a Panel Firm. It is the intention that the firms will also be visited as part of the auditing procedure, with touch points at six months and annually. This ensures that there Zest and the PF can be collaborative and discuss strategies, improvements and different ways of progressing matters. It ensures that Zest understand changes made to the operation in terms of staff, case management systems, process or other resources and can work with the PF to deliver their Funding requirements.

Signed on behalf of Zest Consultancy Ltd:



Lisa Medi Charles

Director of Compliance Services

Dated: 29.07.22